

**TOWNSHIP OF FALLS  
BOARD OF SUPERVISORS MEETING**

**ROLL CALL:**

<b>JEFFRY E. DENCE, CHAIRMAN</b>	<b>PRESENT</b>
<b>JEFFREY M. BORASKI, VICE-CHAIRMAN</b>	<b>PRESENT</b>
<b>BRIAN M. GALLOWAY, SECRETARY</b>	<b>PRESENT</b>
<b>JOHN W. PALMER, SUPERVISOR</b>	<b>PRESENT</b>
<b>ERIN M. MULLEN, SUPERVISOR</b>	<b>PRESENT</b>

The meeting commenced at 7:02 p.m. with roll call and pledge to the flag. All Board members were present. Also present were Township Manager/Chief Code Enforcement Officer & Zoning Officer Matthew Takita, Township Solicitor Michael Clarke and Township Engineer Joe Jones.

**ITEM # 1 PUBLIC COMMENT – FIVE MINUTE LIMIT PER PERSON  
FORTY-FIVE MINUTE MAXIMUM**

Mr. Todd Vreeland wanted to introduce himself to the Board. He is the new Deputy Chief of Operations for the Levittown-Fairless Hills Rescue Squad. He is eager to share information about what they do. They try to reach out and help the community and appreciate the help and support they get from the township. If any of the public have questions, please reach out to them.

Ms. Toni Battiste said the EIT is needed for the budget maintenance once Waste Management closes. She believes the funds should be put into a separate account, not commingled into the general fund. The other issue she wanted to mention is the agenda item about the heavy industrial zoning being proposed for the riverfront. She did not see any maps and could not find it online. Chairman Dence said that item is going to be postponed.

**ITEM # 2 AUTHORIZATION TO ADVERTISE AMENDING CHAPTER 198 –  
TAXATION – TO ADD IN A NEW ARTICLE VII – EARNED INCOME  
TAX TO LEAVY AN EARNED INCOME TAX OF ONE PERCENT  
(1%) PURSUANT TO THE AUTHORITY OF THE LOCAL TAX  
ENABLING ACT; TO INCLUDE DEFINITIONS; TO PROVIDE FOR  
DECLARATION AND PAYMENT OF THE TAX; TO PROVIDE FOR  
COLLECTION OF THE TAX AT THE SOURCE AND  
WITHHOLDING BY EMPLOYERS; TO ESTABLISH THE POWERS  
AND DUTIES OF THE TAX COLLECTOR; ESTABLISH THE  
AMOUNT OF THE TAX RATE; TO ESTABLISH THE EFFECTIVE  
DATE OF THE IMPOSITION AND LEVY OF THE TAX; TO  
PROVIDE FOR SUITS FOR COLLECTION OF UNPAID TAXES,  
INCLUDING INTEREST AND PENALTIES; REPEALING ALL**

**INCONSISTENT ORDINANCES OR SECTIONS OF THE CODE; AND  
ESTABLISHING AN EFFECTIVE DATE THEREFOR**

Mr. Peter Angelides of E-Consult Solutions spoke about the EIT study. There are two phases to the EIT. How much do your residents already pay in EIT and what could you potentially gain on EIT? EIT is tax on earned income where earned income is your job, wages and salary. Unearned income is interest, dividends, capital gains, alimony, social security and 401K withdrawals and these are not subject to the EIT. There are two types of EIT-resident (tax on your residents) and non-residents (tax on people who work in your township but don't live in your township). You can do both of them. The resident part takes precedence over the non-resident part. For instance, if you live in a place that has EIT and work in a place that has its own EIT, you pay to your home township before you pay to the other place. If they both have the same rate, the money goes to your hometown, not where you work. That is true everywhere except Philadelphia. In Philadelphia the wage tax takes precedence over everything. If you live in Falls Township, work in Philadelphia and currently pay the wage tax, you don't pay the EIT. If you work in New Jersey and you are a resident here you will have to pay it. Most of your neighboring communities have EIT. Over time, townships have instituted the EIT, basically to capture the money their residents are already paying. Currently, residents are paying about \$3.5M to Pennsylvania townships that are not Philadelphia and they are paying another \$4M to Philadelphia. If you have EIT, how much can you raise? You have people who live and work in Falls, people who work in Falls but don't live in Falls. If you have the EIT, there would be between \$5.7M and \$5.9M taxes on your residents. The non-resident collection is about \$1.4M, totaling approximately \$7.2M – that is how much the EIT would raise. Of that amount, about one third (\$2.3M) is new tax revenue on Falls Township residents who are currently not paying into it now. They also did a study on proposed development and that EIT revenue on fairly substantial development could be \$750,000. Member Mullen thanked Mr. Angeline for the report. Of the \$7.2M in new revenue, only 32% (\$2.3M) would be new taxes to Falls residents. How do self-employed go about paying the tax? They would have to pay to Falls Township or sign up through Berkheimer or the tax collector. Member Galloway said this has no negative impact on those living on retirement income. Mr. Angeline said that is correct. Member Boraski said the \$7.2M is potential EIT for 2023 but why are we at \$5.25M in our budget? Mrs. Reukauf wanted to work under the assumption that the school district would take their half starting in July 2023. Member Boraski said the school district would have a lot of work to do between now and June because we have Lower Makefield, Yardley Borough, and Tullytown Borough, the adjoining municipalities. Mr. Angeline said the analysis here assumes 1% EIT that the township collects completely and assumes the school district does not impose one so the adjustment to the budget makes sense to him. Member Boraski asked Mr. Clarke when it relates to the school district, what do you think the timeframe would be? Mr. Clarke said if the school district enacts it, they have to enact it district-wide. They just can't enact it for Falls Township residents. They would have to do it for everyone in their district. Whether or not the other municipalities would choose to enact one would be up to those municipalities but usually when one municipality does it, everyone usually follows in line. The school district has probably already started their budgeting process for the 2023-2024 school year so they would have a lot to do in those

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next four or five months if they wanted to enact an EIT. They can take our half but then they have to impose that on everyone in the school system; it would have to be uniform. Member Palmer is curious why do we go to 1%. Mr. Angeline said you could do a half percent and if you did it, the amounts mentioned earlier would be half that amount. Chairman Dence said he works in Pennsylvania but his employer is in New Jersey so he would have to file on his own at the end of the year. Mr. Colin Henderson said he was here last month. He is still opposed to the EIT. Waste Management has a lifespan of about ten to twelve years. Chairman Dence said they have a dollar amount of about \$130M. It could be five years. The dollar amount doesn't change no matter the length of time. Mr. Henderson said when they came before the Planning Commission, they said they have five years left plus a seven-year extension on top. Chairman Dence said the timeline depends on construction and everything else. If things slow down, it could be fifteen years but the dollar amount does not change. Mr. Henderson said we have ten years to look at this issue, to curb our spending and to increase revenue in other ways. He think the EIT is a last resort not a first option. He understands there are tough decisions that have to be made even with this in ten years. He does not see the township budget tightening its belt. Chairman Dence said last year it was \$12M that they trimmed out of the budget and put back. We have been trimming the budget for a long time and should have implemented the EIT over five years ago. Chairman Dence said this isn't a hard decision, it is a big decision. To wait until the landfill is full and then start taxing people then would be foolish. This alone wouldn't fill the gap. The plan is to shore up our savings now. Mr. Henderson said it is already not covering it. Chairman Dence said this township has been very comfortable for a long time with never raising taxes. There are a lot of people who pay EIT and don't even realize they are paying it. People also do not realize they do not pay for trash removal. When the landfill goes away that will be another shock to people. Mrs. Reukauf said we are not going to take the EIT and deposit it into our savings account. The point of the EIT is to offset the operating expenses of the general fund so that we can transfer less of the host community fees over into the general fund to cover operating expenses. We can do that in an amount equal to the EIT. What we have done with them over time is that we have continued to subsidize the general fund so that we wouldn't raise your taxes for the past thirty years. Mrs. Reukauf said they did the first study in 2014 and have talked about it long before then. At that time, it was a lot less people who paid the EIT than it is now so we might as well bring that money back here. Mr. Mike Falkevitz asked if this is part of Act 32. He asked what part of Act 32 says that Philadelphia city wage exempts him from paying the one percent EIT? Mr. Clarke said it is called the Sterling Act. It is where the city wage tax that is imposed cannot be undone by anything that anyone does in the surrounding municipalities, counties can't stop Philadelphia from collecting it. As Mr. Angeline indicated, what is being adopted this evening is that there is no taxing you twice. Mr. Falkevitz asked why you weren't looking at a property tax increase? Mr. Falkevitz said he has no problem paying more in taxes to the township but all the corporate-owned properties don't pay any more on the EIT and the KIPC just come out of a 15-year tax abatement. Chairman Dence said the point was to try not to impact seniors immediately. Mr. Falkevitz asked how much is a mill in Falls Township. Member Mullen said she had the same questions. An EIT is the single-most effective way to generate revenue. Mrs. Reukauf said a mill in Falls Township is just over \$329K. You can't raise \$7M in millage. The single-

most effective way to replace the monies coming from the landfill is through the EIT. It will not impact non-working seniors or anyone making under \$8K a year. It will also impact those who live in apartments who do not pay real estate taxes. Eventually, real estate taxes will also have to go up. Our first step is to try to lessen the impact on our seniors. Mr. Falkevitz said, in his opinion, property taxes are the fairest tax. If you don't own property, you don't pay them. Corporations don't pay EIT. If you take it slow, the \$130M or \$140M, whether it takes five years or fifteen years, it is all subject to different variables. With that, you can slowly and incrementally increase our millage rate. If you institute an EIT and then Lower Makefield, Yardley Borough and Tullytown Borough does the same and Pennsbury grabs it, you will see more people coming out and going after the school board again. He would rather see you slowly increase the millage rate than implement an EIT. We have had inflation and you are adding another 1% on top of that. Mrs. Reukauf said if the general fund millage were increased by 1 mill each year for five years, the real estate taxes would bring in an additional \$1.6M at the end of five years and that would bring our general fund millage rate to 7.63. Ms. Toni Battiste said she understands that the money from the EIT will not go into its own separate fund. In the interest of transparency, it needs to be in its own separate fund. If you start mingling it with the general fund, that money gets lost and it is difficult to follow the money trail. Mrs. Reukauf said that money is supporting the ongoing operating costs of the general fund of the township. The EIT is reducing the amount we are relying on host community fees. For as long as we collect the host community fees, we can save them. Ms. Battiste asked if we are getting interest and if we can put that into Certificate of Deposits. Chairman Dence said we are very restricted on what we can do investment wise. Member Galloway moved to authorize amending Chapter 198 – Taxation – To add in a new Article VII – Earned Income Tax to Levy an Earned Income Tax of One Percent (1%) Pursuant to the Authority of the Local Tax Enabling Act; To Include Definitions; To Provide for Declaration and Payment of the Tax; To Provide for Collection of the Tax at the Source and Withholding by Employers; To Establish the Powers and Duties of the Tax Collector; Establish the Amount of the Tax Rate; To Establish the Effective Date of the Imposition and Levy of the Tax; To Provide for Suits for Collection of Unpaid Taxes, Including Interest and Penalties; Repealing all Inconsistent Ordinances or Sections of the Code; and Establishing an Effective Date Therefor; Member Boraski seconded the motion; all board members were in favor with the exception of Member Palmer who voted no. (4-1)

**ITEM # 3      CONSIDER ADOPTING THE 2023 BUDGET AND RESOLUTION  
ESTABLISHING THE MILLAGE RATE FOR 2023**

Member Boraski asked about the restricted long-term savings, the host community fees and the future of the township. He wants to see where we are with the the \$7.2M number versus the \$5.2M number we are looking to transfer. Mrs. Reukauf said in the interest of budgeting conservatively, she did not want to estimate that we would receive the full \$7.2M in case the school district were to take half so she assumed they would take their half for half of the year. That brought it down to \$5.2M. Member Galloway moved to approve Resolution # 2022-38 adopting the 2023 Budget and Establishing the Millage Rate for 2023; Member

Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 4 CONSIDER AWARDING WORKERS COMPENSATION CONTRACT FOR YEAR 2023**

Member Galloway moved to award the Workers Compensation Contract in the amount of \$447,447 for the year 2023; Member Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 5 CONSIDER ADOPTING ORDINANCE AMENDING CHAPTER 209 – ZONING DISTRICT MAP OF THE TOWNSHIP OF FALLS – SECTION 209-7 – BY REZONING CERTAIN LANDS IDENTIFIED AT BUCKS COUNTY TAX MAP PARCEL # 13-047-088 FROM RD-3 – RIVERFRONT DISTRICT 3 TO HI – HEAVY INDUSTRIAL**

Member Galloway moved to table the agenda item to consider adopting Ordinance amending Chapter 209 – Zoning District Map of the Township of Falls – Section 209-7 – by Rezoning Certain Lands Identified at Bucks County Tax Map Parcel # 13-047-088 from RD-3 – Riverfront District 3 to HI – Heavy Industrial; Member Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 6 CONSIDER RATIFYING THE LEASE AGREEMENT BETWEEN FALLS TOWNSHIP AND FALLS TOWNSHIP SENIOR CENTER**

This agreement will bring the lease to an expiration date of December 31, 2035. Member Palmer said the senior center has always been a polling location and people are complaining that they now have to go to the golf course next door. It is not convenient. The senior center doesn't want the polling location at their location due to COVID. As a landlord, do we have control over this? Mr. Clarke said with the lease agreement, we lease them the property but we have always allowed them to operate the facilities and conduct the business of the senior center without interference from the township. He doesn't think there is a provision where we can force them to have a polling location. We can have discussions with them. Member Palmer said maybe we can ask them to accommodate that need and then have professional cleaners afterward; maybe that would help. Mr. Clarke and Manager Takita will reach out to them and have a conversation. Member Galloway moved to ratify the lease agreement between Falls Township and Falls Township Senior Center; Member Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 7 CONSIDER AWARDING BIDS FOR PROVISIONS OF CLEANING SERVICES FOR THE FALLS TOWNSHIP MUNICIPAL BUILDING AND VARIOUS PARKS**

Member Galloway moved to award the bid for provisions of cleaning services for the Falls Township municipal building, the proposed temporary municipal building and the parks to CNS Cleaning Co. in the amount of \$67,000; Member Boraski seconded the motion; all board members were in favor. (5-0) Chairman Dence wanted to note that in the past we

had a full-time township employee who did the cleaning services and it probably cost more than this with their health benefits and they did not clean the parks.

**ITEM # 8 CONSIDERATION OF INDEMNIFICATION AND HOLD HARMLESS AGREEMENT BETWEEN FALLS TOWNSHIP AND MISSION BBQ OXFORD VALLEY PA, LLC**

Mr. Clarke said the applicant wants to get started on building out the space but they do not have all of their DEP approvals for sewage. They are asking to proceed by getting their permits and doing the construction by entering into an indemnity and hold harmless agreement. If they don't get their permits or DEP approvals and cannot open, then we are in no way responsible. They cannot occupy and start running their business until they get their approval from the DEP. Member Galloway moved to approve the indemnification and hold harmless agreement between Falls Township and Mission BBQ Oxford Valley PA, LLC; Member Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 9 CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT BETWEEN FALLS TOWNSHIP AND SOLUTIONS 180, LLC**

Mr. Clarke said this is an agreement where certain police department matters need to be handled by a third party. They will do some personnel reviews for the police department. We are entering into an agreement with this company to do these personnel reviews. Member Galloway moved to approve the professional services agreement between Falls Township and Solutions 180, LLC; Member Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 10 CONSIDER ESCROW RELEASE REQUESTS**

Member Galloway moved to approve the escrow release to 3 Rivers LLC in the amount of \$54; Member Palmer seconded the motion; all board members were in favor. (5-0)

**ITEM # 11 APPOINTMENTS TO VARIOUS BOARDS, COUNCILS, COMMITTEES AND COMMISSIONS**

Member Boraski moved to re-appoint Brian Binney to a 3-year term on the Board of Appeals; Member Galloway seconded the motion; all board members were in favor. (5-0) Member Boraski moved to appoint John Haney to a 3-year term on the Board of Appeals; Member Galloway seconded the motion; all board members were in favor. (5-0) Member Mullen moved to appoint Aaron Mackey to the Zoning Hearing Board; Member Boraski seconded the motion; all board members were in favor. (5-0) Since this needs to be in a Resolution, Mr. Clarke said we will do that by Resolution and we will be able to sign off during our Re-Organization meeting and you can execute it at that time.

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**ITEM # 12 MINUTES – NOVEMBER 21, 2022**

Member Galloway moved to approve the minutes from November 21, 2022; Member Boraski seconded the motion; all board members were in favor. (5-0)

**ITEM # 13 ENGINEERS REPORT**

Mr. Jones said there were three new earth disturbance submissions and two new land development submissions. These are for 699 Bristol Partners LLC for a paving expansion project, residential pools, improvements to the Falcon Field at Pennsbury High School and the BJ Group is a building addition on New Ford Mill Road. Mostly everything on this list is either approved or under construction. The McGill Composting facility is on their way and the Levittown Car Wash is underway. A lot of the work was done for the Wastewater Treatment Plant. We are in final plan revisions for the Danja Tract which will be under construction very soon. Most of the exterior improvements are done at the Burger King and they are currently working on interior renovations. For Atlantic Pre-Cast, they are waiting for their waring course, weather permitting. The TruckSmart on Old Lincoln Highway is doing a minor paving addition. NorthPoint and Fleck are projects at the KIPC for earth disturbance and have both been approved. Britton Industries has been approved and the pre-construction meeting has occurred. They will replace the damaged buildings from the fire. For the township building renovation, we are at 80% documentation submission tomorrow. Member Palmer asked if Mr. Jones has heard about anything going into the bowling alley location. Mr. Jones has not heard anything. Member Boraski asked about 6 Taylor Drive. He drives by every day and the work seems to be done. The resident had trouble getting sod. He asked if the township does not finalize it until they see grass being grown. Mr. Jones said they typically do not issue the recommendation for the final CO until it is fully stabilized and that is our partner with Mr. Krasselt at the Conservation District. They can use it but we are waiting for the right weather for the grass. We would not object to any escrow releases or them operating or using the pool. They have to request it.

**ITEM # 14 BILL LIST**

Member Galloway moved to approve the bill list in the amount of \$2,837,553.22; Member Mullen seconded the motion; all board members were in favor. (5-0)

**ITEM # 15 EXECUTIVE SESSION**

Mr. Clarke said the board held an Executive Session on December 5, 2022 to discuss personnel matters.

**ITEM # 16 POLICE DEPARTMENT REPORT**

There was no police report this evening.

**ITEM # 17 MANAGER COMMENT**

Manager Takita announced pick-up dates for Christmas trees. They will be picked up by Waste Management on Saturday, January 14<sup>th</sup> and Saturday, January 28<sup>th</sup>. Please do not put trees out prior to those dates. After the January 28<sup>th</sup> pick up, trees can be put out with regular trash. If your tree is over 6 ft tall, please cut in half. All decorations must be removed from the tree as well.

**ITEM # 18 BOARD COMMENT**

Member Palmer said the reason he voted no to the EIT is because he felt they should have put a lot more energy into a Steering Committee and get the public involved so there was more transparency and so people understand. This money is coming from the host community fees and paying pretty much everything and we are putting it into the operating budget. He was not in favor for making it 1%. The school district isn't taking half and probably won't for a while. It was coming but we could have done it differently. Merry Christmas and happy holidays.

Member Mullen also commented on the EIT. She agrees with one thing Member Palmer said which is about the education and thinks that is what the supervisors and the township need to work together and get out some information over the next few months. Last month she was opposed to the advertisement and since then she met with Manager Takita and Mrs. Reukauf, reviewed the EIT report at length and made her concerns known. Member Mullen said some very well-meaning people told her it was in her political best interest to vote no on the EIT. After getting at all of the information, you can't stop governing in an election year. The things that convinced her is that our general fund is not self-supporting. We have created a situation where we have permanent dependance on a temporary income source. Some things should have done in years past but she believes we waited as long as we could. That is why it is at 1% and not .5%. To those who don't pay an EIT, she understands inflation is bad and that is why they wanted to protect seniors who are hit the hardest. We cannot predict when the best time is to raise taxes. The EIT grows with income as people get raises. The study dealt with Pennsylvania data so the out-of-state revenue could not be included in that estimate. Anything that we get from residents who work out of state will be on top of that estimate. We want the \$3.5M back. For those who are paying the EIT, we heard from quite a few people who would rather have that money in our township. She has heard your concerns what she has learned in the finance meeting is that we do have to work together and prepare for leaner years ahead. The EIT will give us security going in. Thank you and happy holidays to everyone.

Member Galloway said Guido, we got your message. This is good for seniors. Happy Hanukkah and Merry Christmas.


Member Boraski thanked Mrs. Reukauf for all of your hard work. We appreciate your hard work. Happy holidays to everyone.



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Chairman Dence said the EIT has been a long time coming. It wasn't a hard decision; it was a big decision. People are very comfortable in Falls with not having taxes go up. If we raised taxes one mill a year for five years we wouldn't even have \$2M. Chairman Dence read the last email he received from Guido Mariani, and may he rest in peace. Thank you to everyone for your hard work. Happy holidays.

Member Galloway moved to adjourn the meeting; Member Boraski seconded the motion all board members were in favor. (5-0) The meeting was adjourned at 8:10 p.m.

  
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Brian Galloway, Secretary

